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FISCAL IMPACT STATEMENT

LS 6981

BILL NUMBER: SB 335

NOTE PREPARED: May 9, 2005

BILL AMENDED: Apr 18, 2005

SUBJECT: Department of Tourism.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR: Rep. Espich

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes the Office of Tourism and transfers tourism functions of the Lieutenant Governor (transferred from the Department of Commerce in P.L.4-2005) to the Office of Tourism. The bill also makes other conforming changes.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill changes the reorganization of tourism functions and programs specified under P. L. 4-2005 (HEA 1003-05). Under P. L. 4-2005, the Indiana Department of Commerce (IDOC) is abolished and the tourism functions of the IDOC are transferred to the Office of the Lt. Governor on the effective date of that act. The bill changes this reorganization by establishing an Office of Tourism Development. Under the bill, the Director of the Office of Tourism Development (who is the executive and chief administrative officer of the Office) is appointed by, and serves at the pleasure of, the Lt. Governor. The organizational changes made by the bill are effective July 1, 2005, and are not expected to have a fiscal impact. The bill provides that the State Budget Agency will make determinations as to whether appropriations to the Lt. Governor, the Indiana Department of Commerce, or the Indiana Economic Development Corporation are related to tourism and are to be transferred to the Office of Tourism Development on July 1, 2005. Other changes made by the bill are as follows.

(1) Under the bill, the Tourism Information and Promotion Fund is transferred to, and is to be administered by, the Office of Tourism Development. The bill requires the Office to establish guidelines for the application and approval of grants from the Fund, and authorizes the Office to obtain recommendations from the Indiana Tourism Council when making determinations on grant applications. Under current statute unchanged by the

bill, the Fund is nonreverting. As of May 6, 2005, the Tourism Information and Promotion Fund had a balance of \$342,030 (which was the balance at the end of FY 2004)

(2) The bill also repeals the Tourism Marketing Fund which had a zero balance on May 6, 2005, (which was the balance at the end of FY 2004).

(3) The bill eliminates the Tourist Information and Grant Fund Review Committee which reviews applications, and makes recommendations, for grants from the Tourism Information and Promotion Fund. The Committee currently serves without pay or reimbursement of expenses. Under the bill, the review and recommendation functions would be shifted to the Indiana Tourism Council.

(4) The bill requires the Indiana Tourism Council to make budget recommendations to the Lt. Governor.

(5) The bill increases the membership of the Lake Michigan Marina Development Commission and the River Marina Development Commission to make the Director of the Office of Tourism Development a member. The bill also increases the membership of the Ohio River Greenway Commission and the Wabash River Heritage Corridor Commission to make the President of the Indiana Economic Development Corporation a member. These changes could result in a minimal fiscal impact due to additional travel expense reimbursement costs relating to these members.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Economic Development Corporation; Lt. Governor; State Budget Agency; Tourist Information and Grant Fund Review Committee; Indiana Tourism Council; Lake Michigan Marina Development Commission; Wabash River Heritage Corridor Commission; Ohio River Greenway Development Commission; River Marina Development Commission; Natural Resources Commission; Lewis and Clark Bicentennial Commission.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jim Landers, 317-232-9869.